

107TH CONGRESS
1ST SESSION

H. R. 1285

To amend the Internal Revenue Code of 1986 to reduce and simplify the estate tax.

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 2001

Mr. MOORE (for himself and Mr. HOLDEN) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to reduce
and simplify the estate tax.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Estate Tax Reduction
5 and Simplification Act of 2001”.

1 **SEC. 2. INCREASE IN UNIFIED CREDIT AGAINST ESTATE**
 2 **AND GIFT TAXES TO EXCLUSION EQUIVALENT**
 3 **OF \$3,000,000 WHILE PRESERVING STEPUP IN**
 4 **BASIS; INFLATION ADJUSTMENT OF CREDIT.**

5 (a) IN GENERAL.—The table in section 2010(c) of
 6 the Internal Revenue Code (relating to applicable credit
 7 amount) is amended—

8 (1) by striking “2000 and 2001” and inserting
 9 “2000 or thereafter”,

10 (2) by striking “\$675,000” and inserting
 11 “\$3,000,000”, and

12 (3) by striking all matter beginning with the
 13 item relating to 2002 and 2003 through the end of
 14 the table.

15 (b) INFLATION ADJUSTMENT.—

16 (1) IN GENERAL.—Section 2010 of such Code
 17 is amended by redesignating subsection (d) as sub-
 18 section (e) and by inserting after subsection (c) the
 19 following new subsection:

20 “(d) INFLATION ADJUSTMENT.—In the case of any
 21 decedent dying, and gift made, in a calendar year after
 22 2001, the \$3,000,000 amount set forth in subsection (c)
 23 shall be increased by an amount equal to—

24 “(1) \$3,000,000, multiplied by

25 “(2) the cost-of-living adjustment determined
 26 under section 1(f)(3) for such calendar year by sub-

1 stituting ‘calendar year 2000’ for ‘calendar year
2 1992’ in subparagraph (B) thereof.

3 If any amount as adjusted under the preceding sentence
4 is not a multiple of \$10,000, such amount shall be round-
5 ed to the nearest multiple of \$10,000.”.

6 (c) CONFORMING AMENDMENT.—Section 6018(a)(1)
7 of such Code is amended by striking “section 2010(c)”
8 and inserting “section 2010”.

9 **SEC. 3. SIMPLIFICATION OF ESTATE TAX EXCLUSION FOR**
10 **FAMILY-OWNED BUSINESSES AND FARMS.**

11 (a) IN GENERAL.—Section 2057 of the Internal Rev-
12 enue Code of 1986 (relating to family-owned business in-
13 terests) is hereby repealed.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Paragraph (10) of section 2031(c) of such
16 Code is amended by inserting “(as in effect on the
17 day before the date of the enactment of the Estate
18 Tax Relief Act of 2001)” before the period.

19 (2) The table of sections for part IV of sub-
20 chapter A of chapter 11 of such Code is amended by
21 striking the item relating to section 2057.

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by this Act shall apply to the
3 estates of decedents dying, and gifts made, after Decem-
4 ber 31, 2001.

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